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National Intelligence Bulletin

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March 10, 1976

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LEBANON

The Lebanese cabinet and parliament were called into emergency sessions yesterday to discuss ways to end the occupation by Muslim army deserters of two military installations close to the Israeli border. While Christian and Muslim leaders are united in their concern that the deserters may spark an incident with Israel, they seem hopelessly divided over how to deal with the mutiny. Should the rebellion continue for any length of time, it could trigger similar uprisings by Christian soldiers and ultimately draw Syrian-controlled troops into a direct confrontation with Christian forces.

The renegade force led by Lieutenant Khatib has reportedly taken over an artillery camp at Arnun and the small garrison town of Rashaya on the western slope of Mt. Hermon. Although Khatib's sympathizers may number up to a thousand men, less than a hundred followers actually participated in the take-over of the two installations.



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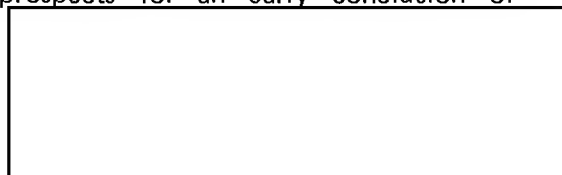
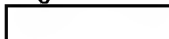
Although the Syrians have been reluctant to become directly involved in controversial debate, they are increasingly worried that Khatib's actions will prompt further defections, and will ultimately thwart their plans to rebuild what remains of Lebanon's armed forces.

While both Syria and the Palestinians see certain advantages in Khatib's open challenge to Christian control of the Lebanese army, they have been unable to control the renegade officer, despite his reliance on logistical support from Fatah and Syrian-controlled Saiqa.

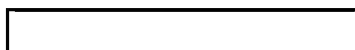


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The mutiny has already dimmed prospects for an early conclusion of negotiations to form a coalition cabinet.



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ZAIRE

Having established the basis for a political accommodation with the Popular Movement regime in Angola late last month, Zairian President Mobutu now will try to improve relations with Moscow and Havana, the Popular Movement's two major backers.

Mobutu, who supported the Popular Movement's rivals, almost broke relations with Moscow last year in response to its support for the Popular Movement. Relations with Cuba were also strained, although Mobutu refrained from any formal protests to Havana.

Mobutu's intentions were conveyed by Foreign Minister Nguza to the Soviet, Cuban, and East European ambassadors late last week. Nguza told the ambassadors that Zaire would welcome better relations but would expect a withdrawal of Cuban forces from Angola.

Nguza later remarked to the US ambassador that President Mobutu was not encouraged by the meeting and that he expects Cuban forces to assist liberation groups in Rhodesia and Namibia. Nguza pointed out that President Mobutu cannot argue against nationalist movements in southern Africa.

Mobutu is feeling particularly vulnerable just now. The heavy role played by Havana and Moscow in Angola has served to remind him that both countries contributed to the instability in Zaire in the early days of its independence and worked to keep him from assuming power. Cubans, in particular, have vowed revenge against Mobutu because of his role in the death of Patrice Lumumba.

Mobutu apparently believes that his reconciliation with the Popular Movement may not be enough to ensure Zaire's security. He is also concerned that the Popular Movement's victory will encourage further Soviet and Cuban adventures in Africa.

Zaire is in the grip of a serious economic slump. Its army has been demoralized by the poor showing it made in Angola when troops sent there to assist the National Front were easily routed by Popular Movement and Cuban forces. Mobutu has managed to obtain Western support to help his country out of its economic slump, but has been less successful in strengthening his military forces.

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SPAIN

The court martial of ten military officers accused of belonging to the illegal Military Democratic Union ended yesterday amid signs that the Spanish military authorities are opting for strong punishment.

Yesterday the charges against the defendants were changed from sedition—defined as the unauthorized gathering of more than four officers—to plotting military rebellion. The serious nature of this latest charge suggests that the government intends to issue severe sentences. Press accounts are now predicting sentences of up to 12 years imprisonment and dismissal from the service.

There has apparently been little hard evidence, however, against the accused officers, and the prosecution may find it difficult to make such serious charges stick. The verdict will be delivered later this week.

Whatever the verdict, the case is likely to provoke further dissatisfaction in the military. Hard-line military leaders want to make an example of the ten in order to discourage any dabbling in politics by younger officers. Those members of the military hierarchy who favor leniency argue that harsh measures would have the very effect the hardliners want to avoid—politicization of the younger officers and potential polarization of the military.

Meanwhile, the Basque provinces, recovering from the most widespread strikes since the civil war, were relatively quiet yesterday with no violence reported. Leftists, however, have called for a "day of struggle" today in the volatile Asturias coal-mining area west of the Basque country. Asturias has been torn by labor strife over the past few years and has recently been plagued by two months of strikes involving most of its 20,000 coal miners.

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NORTH KOREA

Pyongyang has sharply intensified its propaganda attacks on the US in the past two weeks, apparently in an effort to build support for its policies at the nonaligned summit in Colombo this summer and at the UN in the fall.

Pyongyang's attacks have emphasized the temporary US deployment late last month of F-111 fighter-bombers to South Korea for exercises. The propaganda also reiterates charges that the US has sent more troops and nuclear weapons into South Korea and that military cooperation among the US, South Korea, and Japan has been strengthened. Pyongyang describes these developments as having created a "grave situation" in which "war may break out at any time."

The North Koreans have used similar language periodically in the past, but since late February such warnings have been featured almost daily in Pyongyang's propaganda. Moreover, Pyongyang has assailed the F-111 deployments in a formal Foreign Ministry statement, the highest level North Korean protest of a US action in South Korea since 1971.

The North Koreans obviously want to impress audiences in the US, South Korea, and Japan with the intensity of their opposition to US policies. Another important target is the Third World, where there is considerable sympathy for Pyongyang's claim that the Korean problem is a colonial issue, and that the source of tension is not in the North, but in the continuing presence of US forces in the South. Pyongyang has been successful in winning the support of nonaligned militants, but still has considerable spadework to do among the many Third World countries that remain reluctant to become involved in the Korean dispute. This search for Third World support strongly suggests that Pyongyang will press for another confrontation at the UN General Assembly this fall.

Both Peking and Moscow have been circumspect in replaying Pyongyang's attacks on the US. The Chinese have given a bit more coverage than the Soviets, but both have excluded the more inflammatory passages.

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JAMAICA

Prime Minister Manley recently announced the largest tax program in Jamaica's history to deal with the island's severe economic problems.

The severity of the economic plight is reflected in the fact that by mid-February foreign exchange reserves had fallen in a little over six months from \$146 million to \$36 million. A deteriorating balance-of-payments situation, brought on principally by a drop in sugar production and prices and a decreased demand for aluminum products, has little chance of improving soon. The government anticipates this year's foreign exchange earnings to be at least 40 percent below last year's.

As a consequence, the government has had to introduce an \$81-million tax package to maintain the budget at last year's level. A wide range of taxes has been implemented, but the burden will fall most heavily on "those who can most afford to pay." Other measures announced include new wage and price guidelines, exchange controls, a rise in interest rates, and further restrictions on imports. Devaluation was discussed but has been postponed for the time being.

Manley remains committed to easing the country's grave social problems, and indeed has insisted that his social programs will continue, but lack of government revenue is making it increasingly difficult for him to make good on his promises.

In the meantime, the persistent poverty and high rates of unemployment in urban areas have given rise to a cult of violence that has brought the slums of Kingston to the verge of anarchy. The business community, middle class, and much of the older generation, on the other hand, are digging in to thwart Manley's attempts to lead Jamaica toward a socialist society.

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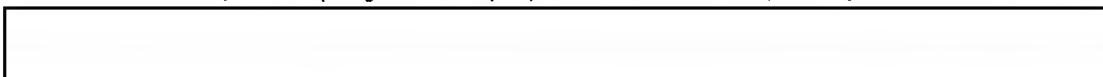
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UK: London recently authorized its Defense Ministry to proceed with the development of the air defense variant of the European multirole combat aircraft. This move ends a long political and military debate and gives testimony to the UK's support for European cooperative military programs. Only last week, the House of Commons Expenditure Committee had questioned the air defense variant's overall performance over the US F-14 or F-15 aircraft. Of the 807 combat aircraft to be ordered by the UK, West Germany, and Italy, Britain will receive 220 strike-reconnaissance and 165 air defense versions. According to British Defense Minister Mason, the program may provide some 24,000 jobs in the UK.



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